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In July 2006, 25-year-old Christopher Bryski died.

His private student loans didn't. Mr. Bryski's family in Marlton, N.J., continues to make monthly payments on his loans—the result of a potentially costly loophole in the rules governing student lending.

As the college season nears, throngs of parents and students still are applying for private student loans, long used by students as an alternative to federal loans. But they may be unaware that in cases where the student dies, the co-signers often are obliged to pay off the balance of the loan themselves—a requirement typically not found in federal loans.

Many private student-loan lenders say they have a review process for cases involving disability or injury, and the new Bureau of Consumer Financial Protection will have an ombudsman in charge of private student loans. Yet neither the student-loan legislation passed in March as part of the health-care overhaul nor the financial-system overhaul passed in July requires lenders to discuss with the borrower and co-signer the consequences of a borrower's death or permanent disability, or require lenders to forgive private loans in those cases.

The Bryski case sparked the Christopher Bryski Student Loan Protection Act, sponsored by U.S. Rep. John Adler (D., N.J.) and introduced into the House of Representatives in May. The law, which has attracted co-sponsors from both parties, would require private student lenders—among the biggest are Sallie Mae, Citigroup Inc. and Wells Fargo & Co.—to explain to students the co-signer obligations in the event a borrower dies, as well as insurance options for loans and the circumstances under which loans can be discharged—though it wouldn't require lenders to forgive loans.

Sallie Mae, Citibank and Wells Fargo may require co-signers to continue paying private student loans after the primary borrower has died, though the lenders say they will look at cases individually. Wells Fargo doesn't offer medical forbearance, just a three-month period of hardship forbearance during which the interest compounds.

Sallie Mae—formerly a government-sponsored enterprise but fully private since 2004—recently introduced forgiveness in cases of death for its Smart Option Student Loan, but doesn't require it in its other private student loans. A Citi spokesman says, "We believe our policies are generally consistent with other industry participants."

Mr. Bryski, a three-sport athlete, took out $44,500 in private student loans and $5,000 in federal loans to attend Rutgers University in 2001. Joseph, his father, co-signed the loans for him. The family declined to name the lender that issued Mr. Bryski's private student loans because, his brother Ryan says, "we're not pointing fingers. It's not just our lender that does this."

While climbing a tree on June 17, 2004, the then-23-year-old Mr. Bryski fell five feet and sustained severe traumatic brain injuries. The accident placed him in a coma for four weeks, which turned into two years of being in a persistent vegetative state. At the time of the accident, Mr. Bryski was three years into his degree at Rutgers.

During those two years, Mr. Bryski's parents, Joseph and Diane, and his two brothers, Ryan and Joseph, say they juggled 12-hour shifts at the hospital and meetings with doctors with calls from creditors. From the hospital waiting room, Ms. Bryski says, she tried to call and settle her son's credit-card and student-loan payments.

"The bank said they wanted to speak with Christopher," Ms. Bryski says. "I told them, 'You can't speak to Christopher. He can't speak at all.' It's a horrible feeling."

Mr. Bryski had two credit cards with small balances that the family tried to have closed. Eventually, after the family had a lawyer write to the card companies, the balances were canceled. The card companies also refunded the amount the family paid on the account since Mr. Bryski entered the hospital.

Mr. Bryski's federal student loans were deferred as soon as the family submitted a note from a doctor detailing his permanent condition. They were forgiven completely upon receipt of Mr. Bryski's death certificate.

But when Ryan Bryski called regarding his brother's private student loans, a customer-service representative told him that the loans were eligible only for hardship forbearance, during which payments would be suspended for six months at a time and interest would compound on the balance at a variable rate.

The terms of Mr. Bryski's loan also stipulate that since the loan was transferred to the co-signer, Mr. Bryski's father, the entire payment could be requested at once. Consolidation options also were much more restricted.

"We're not saying we won't pay the loan," Ms. Bryski says, "But why didn't they tell us that years ago? It's not fair."

On July 16, 2006, two years after his fall, Christopher Bryski died. The family packed up his apartment, took in his dog, Maverick, and held a memorial service. The calls to customer service regarding the private student loans seemed to go nowhere. A legal representative of the private lender then wrote to the family to inquire about the intentions of Mr. Bryski's estate. "He didn't have an estate," Ryan Bryski says.

"I told them I just lost my son," Ms. Bryski says. "I'm aching in pain, and this is what they're going to do to me?"

The Bryskis continue to make the monthly payments on the private loans, which have risen to $518 from $366 because of interest rate changes and to make up for forbearance periods. The family will end up paying $85,800 by the time the repayment plan ends.

"We didn't want to think of the unthinkable. Then it happened," Ms. Bryski says. "We don't want any other families to go through what we went through."

Families looking to borrow for college should first maximize grants and federal borrowing options, which have recently had their limits expanded and generally offer far better repayment terms than private loans. Federal PLUS loans now allow parents to borrow up to the full cost of attendance, minus any other financial aid a student receives.

Those who do use private loans should read the fine print carefully to be clear about their legal obligations as co-signers in the event of death or disaster. Borrowers can sign up for auto debit so that payments can continue even if parents don't have power of attorney. Should trouble hit, families trying to have their private student loans forgiven should ask for a review.